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CENTRAL

INTELLIGENCE

BULLETIN



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DAILY BRIEF

I. THE COMMUNIST BLOC

N^o USSR: In deciding to break off the disarmament talks at this time, Moscow may have calculated that the modified Western plan, scheduled for presentation this week, would undercut Soviet attempts to portray the West as opposed to any program for general disarmament. The Soviet Government may have been concerned that the Western plan would lead to prolonged negotiations and make it more difficult to maintain Moscow's pose as the sole champion of complete and general disarmament when the issue is debated before the UN this fall.

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N^o Communist China - USSR: Despite the opportunities for private talks and compromise at Bucharest, the exchange of polemics between Khrushchev and the Chinese Communists has continued. Peiping on 25 June implicitly charged Moscow with exaggerating the destructiveness of nuclear war and "begging imperialism for peace at any cost." Khrushchev on the same day declared at a Bucharest reception that he could be put "in a strait jacket" if he were to advocate a war in which "half will die and half survive." However, a newspaper article by a Chinese official--broadcast by Peiping on 26 June--gives what may be a hint of a Chinese Communist effort to lessen the degree of public quarreling. Although the article states that China is willing to coexist peacefully "even with imperialism," the line taken in the article does not represent any substantive change in Peiping's views but may get increasing propaganda emphasis in order to reduce Western speculation about Sino-Soviet discord and to allay neutralist fears of Chinese intentions.

*The foregoing was prepared prior to Moscow's release yesterday evening of a communiqué signed at Bucharest by representatives

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of all the bloc Communist parties. The communique, reported as signed on 24 June, reaffirms support for the "Declaration and Manifesto of Peace" adopted by the bloc parties in November 1957 at the USSR's 40th anniversary celebrations. In recent weeks Moscow and Peiping have each cited the 1957 Declaration to support its own position on issues in dispute. To assess the full significance of this latest development in Sino-Soviet relations will require further study, and we will comment further on the Bucharest communique and related developments in tomorrow's issue.

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II. ASIA-AFRICA

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Zanzibar: A leftist trend among Arab and African nationalists in the British protectorate of Zanzibar may lead to demonstrations against US space-tracking installations under construction there. British officials report that leftist sentiment has been fanned by bloc propaganda in the wake of the U-2 incident, and that a major demonstration against the US installations is planned for 10 July. The American Consulate in Tanganyika reports that Communist China has lately stepped up propaganda directed to Zanzibar.

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UAR-Syria: A bread riot in Damascus on 21 June, quelled by troops, is the first overt reflection of the widespread discontent among the Syrian lower classes which has been brought to a focus by drought and the worsening economic situation and blamed on Egyptian domination of the country.

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[] antagonism toward Cairo's control among all classes--landowners, peasants, army officers, and commercial circles--has reached a point where general anti-Egyptian demonstrations could break out.] There is no sign yet, however, of any organized effort to split the UAR.

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III. THE WEST

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Austria: The government has indicated to the American Embassy that it is considering the purchase of MIG-17 aircraft from Poland. The foreign minister implied his approval of the move, saying he wanted to improve trade and general relations with Poland. Defense Minister Graf has said he will defer action until next fall in an attempt to avoid any apparent connection with Khrushchev's 30 June - 8 July visit.

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Moscow Breaks Off Disarmament Negotiations

The main factor in Moscow's decision to break off the disarmament talks in Geneva before the West could present its revised proposals may have been the calculation that the Western move would entail prolonged negotiations which would undercut the Soviet effort to portray the West as opposed to any program for total disarmament.

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Soviet tactics since the publication of the 2 June revisions of Khrushchev's plan have been aimed at establishing a record of Western opposition in anticipation of a disarmament debate when the UN reconvenes this fall. In the covering letter transmitting the proposal to the West, Khrushchev established this theme by asserting that the West was not prepared to implement the plan. In his closing remarks at Geneva, Soviet delegate Zorin declared that the Western powers had refused to work out a disarmament program and had reduced the negotiations to an "arid discussion of control."

While Soviet statements and actions had clearly foreshadowed an eventual breakoff in the negotiations, the timing of the move also reflects increased Soviet readiness to adopt a more negative attitude on specific issues following the collapse of the summit and to accept probable adverse free-world reactions.

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In a [redacted] conversation with the chief American delegate to the nuclear test talks, Soviet delegate Tsarapkin expressed "extreme skepticism" as to US intentions to conclude a test ban agreement. He is apparently under instructions to table proposals on each outstanding issue, probably as a prelude to insisting that the West commit itself on the duration of the moratorium on small underground tests or agree to a long recess. Tsarapkin created the impression that the Soviet Government has strong doubts that anything will be accomplished until a new administration takes office in Washington--"and possibly not even then."

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Leftist Agitation in Zanzibar

A leftist trend among Arab and African nationalists in the British protectorate of Zanzibar may lead to demonstrations against US space-tracking installations under construction there. British officials report that leftist sentiment has been fanned by bloc propaganda since the U-2 incident, and that a major demonstration against the US installations is planned for 10 July. The Zanzibar Nationalist party (ZNP)--the leading party among Zanzibar's population of 300,000--held public meetings in mid-June to protest the agreement which permitted the construction of tracking stations there.

The anti-US manifestations coincided with evidence of increased Chinese Communist activity in the protectorate. The American Consulate in Tanganyika observed on 17 June that Peiping was sending "considerable" propaganda material to Zanzibar, and that its broadcasts emphasized the "military dangers" to Africa of "bases" such as the US tracking stations. Peiping has also sponsored trips to China for at least 15 Zanzibar Arabs.

Although the ZNP leadership is Communist inclined, its campaign against the bases reflects in part the stresses of the local political scene. A UK commission has responded to recent nationalist agitation with a series of proposals designed to make Zanzibar, like Singapore, internally self-governing. The current agitation appears directed in part by a desire to manufacture issues for elections expected to be held in the fall.

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Syrian Resentment of UAR Near Danger Point

A riot in Damascus on 21 June protesting the lack of cheap bread is the first overt reflection of widespread discontent among the Syrian lower classes which has been brought to a focus by drought and the worsening economic situation and blamed on Egyptian domination. One person was killed when troops were called in, and suppression of any mention of the incident in the press has resulted in exaggerated rumors which are spreading rapidly. There were open complaints during the incident concerning the money being spent on Nasir's political organization, the National Union, at a time when Syria is suffering from a serious wheat shortage.

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[redacted] antagonism toward Cairo's control exists among all classes of the Syrian populace--landowners, peasants, the army, commercial and white-collar classes, Communists, and anti-Communists--and that it has reached the point where anti-Egyptian rioting could easily break out. While there is considerable resentment over Egyptian domination in the administration and army as such, much of the present unrest stems from the poor economic conditions that followed the Syrian-Egyptian union to form the UAR in 1958. Crop failures, import restrictions, the threat of nationalization, and the lack of foreign exchange have all contributed to the alienation of every major section of Syrian society.]

[redacted] Suppression of anti-Egyptian demonstrations by Cairo-controlled security forces could lead to a general strike throughout Syria--several of which in the past have paralyzed nearly all activity--and perhaps the assassination of a prominent UAR or pro-UAR figure such as Vice President Marshal Amir or the much-hated Minister of Interior Sarraj. It is doubtful that there is any group or party in Syria with the strength and organization to overthrow the Nasir regime there. However, although the Egyptians control the armed forces, it is questionable whether Syrian troops would obey the orders of Egyptian or pro-Egyptian officers to fire on Syrian crowds.

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Austria Considers Purchase of MIG-17 Aircraft From Poland

Defense Minister Graf has indicated to the US Embassy in Vienna that he is considering the purchase of MIG-17 aircraft from Poland. Foreign Minister Kreisky and Trade Minister Bock are reported as supporting this project out of a desire to improve trade and general relations with Poland. Graf, however, has said he will make no move until fall in an attempt to avoid giving the appearance of a connection between the purchase and Khrushchev's visit, 30 June - 8 July.

Austria, which likes to make occasional gestures in support of its professed neutrality under the 1955 state treaty, has in the past obtained some military equipment from the bloc--notably tanks from the USSR and light training aircraft from Czechoslovakia. The Austrian Air Force, with 80 aircraft, has practically no combat capability. Poland has sold MIG-17s to Indonesia, Iraq, and the UAR.

There is a widespread belief within the Austrian business community and in highest government circles that bloc trade could be increased to 20-25 percent of total trade without subjecting Austria to serious bloc pressure or endangering its independence. In 1959 bloc trade constituted about 11.5 percent of total Austrian imports and 14.8 percent of total exports, and Austrians hope to increase this substantially in 1960-61.

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